

SENATOR SARAH ELFRETH  
*Legislative District 30*  
Anne Arundel County

Budget and Taxation Committee

*Subcommittees*

Education, Business and Administration

Chair, Pensions

*Senate Chair*

Joint Committee on Administrative,  
Executive, and Legislative Review

Joint Committee on the Chesapeake and  
Atlantic Coastal Bays Critical Area



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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**Testimony in Favor of SB0310  
Small, Minority, and Women-Owned Businesses Account - Local State of Emergency**

Chair Guzzone, Vice-Chair Rosapepe, and fellow members of the Budget and Taxation Committee,

I respectfully request a favorable report of Senate Bill 310 to provide a streamlined process for our local governments to quickly get grant funding in the hands of businesses and nonprofits impacted in local emergency declarations.

This legislation builds upon unanimously passed HB853 of last session, which expanded the use of the Small, Minority, and Women-Owned Businesses (SMWOB) account to allow for grants to be issued to businesses in Federal Disaster areas or if there had been a Federal or State Declaration of Emergency.

The critical need for this bill becomes clear when you consider the juxtaposition presented by two of the most recent natural disasters that District 30 experienced in the fall of 2021: the tornado caused by the remnants of Hurricane Ida in September and the record-setting flood event in late-October.

The governmental response to the October flood was incredible – Governor Hogan declared a State of Emergency on October 29th before the catastrophic damage caused by the flood and, because of this Emergency, the very next day County Executive Stuart Pittman announced<sup>1</sup> that the Anne Arundel Economic Development Corporation would immediately begin accepting applications for grants of up to \$50,000 for businesses impacted by the flood through the process outlined in HB853. Within a matter of weeks, over a dozen grants were issued to help get our communities small-businesses back on their feet<sup>2</sup>. I've spoken with these business owners - at least one credits this swift response with saving his business.

The tornado, on the other hand, showed governmental bureaucracy at its worst. On September 1st an EF-2 tornado swept through Annapolis and Anne Arundel County causing a tremendous amount of destruction in its path. From Edgewater to West St, dozens of businesses were damaged with some even being completely destroyed. The next day I, along with other local leaders, joined together to speak to business owners and residents impacted to make the promise that we would do everything we could to help them. Unfortunately, we were unable to do so because the Governor did not declare a State of Emergency and our State did not receive a FEMA disaster declaration. Small businesses suffered for months without knowing whether or not their State was going to come through with

<sup>1</sup> <https://www.aaedc.org/pittman-aaedc-announce-50000-grants-for-businesses-impacted-by-chesapeake-bay-flooding/>

<sup>2</sup> <https://www.aaedc.org/21-small-businesses-get-nearly-650k-in-grants-for-flooding-recovery/>

desperately needed support. Thankfully, after months of lobbying, the Governor released funding through the Catastrophic Relief Fund and those residents and businesses are on their way to recovery.

SB310 would fix the problem seen in the aftermath of the tornado by creating a process in which local SMWOB fund managers have the ability to issue grants if there is a local emergency declaration - rather than just in Federal or State emergency declarations. The legislation matches HB853 in that the grants can only be for up to \$50,000; however, it does also expand it to non-profits.

If this legislation had been law when the tornado moved through Anne Arundel County, we would have been able to immediately distribute funding to businesses and nonprofits as we were able to after the flood event. My District unfortunately bore the brunt of a changing climate and severe weather with back-to-back emergencies in just under two months. The need for this legislation will only become more critical and we experience micro-storms across Maryland that devastate local communities but may not rise to the level of a Governor-declared State of Emergency.

Once again, I respectfully request a favorable report of SB310 to ensure that our local governments can respond quickly and meaningfully after local emergencies.